REMARKS/ARGUMENT

Claims 1, 5, 7, 8, 12, 19, 20, 23 and 24 are amended. The amendments to these claims are for clarification purposes only and are not intended to limit the scope of these claims in any way. No new matter is added.

Claim 23 is objected to as containing informalities. This claim is amended, in light of the remarks in the Office Action, to more clearly define the invention. Reconsideration of the objection of claim 23 is respectfully requested.

Claims 1, 5-13 and 21-24 are rejected under 35 U.S.C. §103 as being unpatentable over U.S. Patent 6,014,627 to Togher et al. ("Togher"). Claims 2-4 and 14-18 are rejected under 35 U.S.C. §103 as being unpatentable over Togher in view of U.S. Patent 5,537,468 to Hartmann ("Hartmann"). Claims 19-20 are rejected under 35 U.S.C. §103 as being unpatentable over Togher in view of Hartmann and further in view of U.S. Patent 5,146,499 to Geffrotin ("Geffrotin"). Reconsideration of the application in light of the remarks below is respectfully requested.

In order to establish a prima facie case of obviousness, there must be shown: 1) a suggestion or motivation in the references or in the knowledge of one with ordinary skill in the art, to modify or combine the references 2) a reasonable expectation of success and 3) the prior art references must teach or suggest all of the claim limitations. M.P.E.P. §706.02(j). At least elements 1 and 3 are missing here.

Each of independent claims 1, 12, 23 and 24 recite a trading system with a plurality of matching engines where, at any given time, not all of the matching engines are active. The Office Action, on page 3, explicitly states that Togher is devoid of such a teaching and states:

> "Togher fails to teach a system where at least one arbitrator remains in a passive mode. Office Notice is taken. It would be obvious to anyone of ordinary skill in the art that if the arbitrators work independently, the communication link could be modified so that only one or all of the arbitrators may be executing matching functions while active or communicating price messaging to trader terminals in a passive state. This allows for maximum versatility of the matching engines in the networking environment."

Office Action, page 3 (emphasis added).

First, the Office Action has not set forth any reference showing that one with ordinary skill in the art would know how to modify the Togher reference so that at a particular time some of the arbitrators are in a passive state. In fact, modifying the system in Togher to perform in this manner would be quite difficult. In anonymous trading systems, traders in one market frequently try to hit on a price in another market. The Togher system solves this problem by providing an active arbitrator in each market. Any received price is owned by the arbitrator to whom the price was input. A winning hit will therefore typically be from a trader in the same market – as the owning arbitrator.

In order to modify the Togher reference to produce the claimed invention, one would have to satisfactorily control the switching of the active (non-passive) arbitrator from among the plurality of arbitrators. The timing of the switching would have to be resolved. If the switch were done by the time of day, an issue arises that each market is open at a different time of day. If the switch were performed by volume of traffic, then an issue arises of avoiding a bouncing back and forth between the London and U.S. markets when both markets are open. A problem also exists in signaling which arbitrator is controlling and ensuring that this active arbitrator has all of the necessary information including the current trading book.

None of these problems are present in the Togher system because all arbitrators are always active and always include all needed information. As a consequence, there is no discussion in Togher for how to solve any of the above discussed problems. Moreover, it would be disadvantageous, and certainly not obvious, for one with ordinary skill in the art to modify Togher to produce the claimed invention because of the above referenced problems and inherent complexities. Finally, there is no indication in Togher that each arbitrator could even function independently so that less than all the arbitrators are active.

Second, the Office Action has failed to show a motivation in the prior art for modifying the functioning of the system in Togher as suggested in the Office Action. M.P.E.P. §2143. Absent a showing of such a motivation, a prima facie case of obviousness cannot be made. As such, if the Examiner persists in stating that such motivation is known, Applicants request that the Examiner set forth a reference which shows such a motivation or that the Examiner submit an Examiner's affidavit indicating that such knowledge is known by one of ordinary skill in the art and that one with ordinary skill in the art would be motivated to combine such knowledge with Togher so that Applicants have the opportunity to rebut such an assertion. See M.P.E.P. § 2144.03.

Additionally, the Office Action must explain the reasons why one of ordinary skill in the art would be motivated to select the references or teachings and combine them. In re Rouffet, 47 U.S.P.Q.2d 1453, 1459 (Fed. Cir. 1998). A principle must be identified, known by those with ordinary skill in the art, that suggests the claimed invention. Id. Inventions are frequently the process of combining prior art in a nonobvious manner. Id. Simply because a reference "could be modified" as suggested in the Office Action does not mean it would have been obvious to one with ordinary skill in the art to make the modification.

Therefore, it is asserted that independent claims 1, 12, 23 and 24 are patentable over Togher. The cited art to Hartmann and Geffrotin are also devoid of the above discussed recitations. It is asserted that claims 1, 12 23 and 24 are patentable even over a combination of the art of record.

Claims 2-11 and 13-20 are dependent upon independent claims 1 and 12 respectively. These claims include additional recitations which are neither shown nor suggested in the art of record. It is asserted that these claims are patentable as well. Reconsideration of the rejection of claims 1-24 under 35 U.S.C. §103 is respectfully requested in light of the remarks above.

Respectfully submitted,

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By_____

Steven S. Rubin
Registration No.: 43,063
DICKSTEIN SHAPIRO MORIN &
OSHINSKY LLP
1177 Avenue of the Americas - 41st Floor
New York, New York 10036-2714
(212) 835-1400
Attorneys for Applicant

SSR/mgs